

**REMARKS**

An excess claim fee payment letter is submitted herewith for nine (9) additional claims and one (1) additional independent claim.

Claims 1-29 are all the claims presently pending in the application. Claims 21-29 are added. Claims 1-10 and 21 are independent.

These amendments are made only to more particularly point out the invention for the Examiner and not for narrowing the scope of the claims or for any reason related to a statutory requirement for patentability.

Applicant also notes that, notwithstanding any claim amendments herein or later during prosecution, Applicant's intent is to encompass equivalents of all claim elements.

Claims 1-20 stand rejected under 35 U.S.C. § 102(e) as being anticipated by the Hurwitz et al. reference.

This rejection is respectfully traversed in the following discussion.

**I. THE CLAIMED INVENTION**

An exemplary embodiment of the claimed invention, as defined by, for example, independent claims 1 and 21, are directed to a merchandise transaction method in an on-line shopping system. The method includes an intermediary receiving information about an electronic mall keeper to which a user desires a transaction, information about commodities to be purchased by the user, and a packet and executing an order and payment of commodities to an electronic mall keeper on behalf of the user, and the intermediary receiving a secret decryption

key for the packet transmitted from the user in exchange of the commodities and then obtaining a credit card number of the user by deciphering the packet cipher.

Conventional on-line shopping methods and systems require the customer and merchant (e.g., electronic mall keeper) to trust each other. Specifically, one conventional method and system requires the user to transmit the user's credit card number to the merchant and then wait for the arrival of the ordered commodity. In this instance, the user is required to trust the merchant to deliver the ordered commodity and not to use the credit card number in an unauthorized transaction.

Another conventional method and system is a collect-on-delivery system where the user is not required to pay the merchant until after the user actually receives the ordered commodity. However, this requires the merchant to trust the user to actually pay for the commodity even though the user has already received the commodity.

In stark contrast and as explained at the personal interview, the present invention solves these problems by providing methods and systems which provide an intermediary between the user and the merchant. In this manner, the user can do on-line shopping without directly bargaining or verifying the honesty of a particular merchant and merchants can avoid the risk of a user that does not pay for received merchandise.

Further, since the intermediary is only able to acquire the credit card number of the user by deciphering the packet using a secret decryption key, the user is protected against the intermediary from unauthorized use of the credit card number. Thus, the present invention is beneficial because it does not require that trust be established between the user and the

intermediary and/or the merchant and the intermediary. (Page 21, lines 8-10; page 21, line 20 - page 22, line 1; and page 22, lines 13-16).

## II. THE PRIOR ART REJECTION

The Examiner alleges that the Hurwitz et al. reference teaches the claimed invention. Applicant submits, however, that there are elements of the claimed invention which are neither taught nor suggested by the Hurwitz et al. reference.

The Examiner's rejection fails to comply with 37 C.F.R. §1.104(c)(2) which requires that "the particular part relied on must be designated as nearly as practicable. The pertinence of each reference, if not apparent, must be clearly explained and each rejected claim specified." In this case, not only has the Examiner failed to cite the particular portion of the Hurwitz et al. reference which may have been relied upon, but the Examiner has also failed to clearly explain the pertinence of the Hurwitz et al. reference to each rejected claim.

Rather, the Examiner merely states that "Hurwitz (sic) teaches a merchandise transaction method on (sic) online shopping system comprising . . . second step in which the intermediary receives a secret decryption key for the packet transmitted from the user in exchange of commodities and then obtains a credit card number of the user by the (sic) deciphering [of] the packet cipher." The Examiner then appears to cite Figures 1 and 2 and column 2, line 49 through column 5, line 25 in an attempt to support the Examiner's allegation.

To assist Applicants' understanding, Applicant hereby respectfully requests that the Examiner comply with the requirements of M.P.E.P. § 707.5 by explaining in detail the

correspondence between the specific features recited by claims 1-20 and the particular portions of the Hurwitz et al. reference.

Note that MPEP 707.05 states:

*"During the examination of an application or reexamination of a patent, the examiner should cite appropriate prior art which is nearest to the subject matter defined in the claims. When such prior art is cited, its pertinence should be explained"*

To further the prosecution of this application, however, Applicant has closely reviewed the Hurwitz et al. reference to address the clear differences between the Hurwitz et al. reference and the claims.

The Hurwitz et al. reference does not teach or suggest the features of the present invention including: 1) receiving a secret decryption key; and 2) an intermediary obtaining a credit card number of the user by deciphering a packet cipher using a secret decryption key from the user as recited by independent claims 1-10 and 21. As explained above, this feature is important for obviating any need for trust to be established between any two of the three parties to the transaction, including between the user and the intermediary.

For example, the present specification clearly explains that the user can be protected because the user may forward the secret decryption key to the intermediary only after receiving and inspecting the item. Thus, the intermediary does not have access to the credit card number until after deciphering the packet cipher using the secret decryption key from the user.

In stark contrast, the system that is disclosed by the Hurwitz et al. reference requires that

the intermediary be trusted by the user and the merchant. Indeed, the intermediary that is disclosed by the Hurwitz et al. reference is called a “trusted” intermediary.

Indeed, the fact that the Hurwitz et al. reference requires that the intermediary be trusted teaches away from requiring the encryption/decryption of the payment information and the transfer of any decryption key at all. It is clearly not necessary to encrypt anything at all between trusted parties.

The Hurwitz et al. reference clearly explains that the “Buyer and seller may disclose their personal information to the trusted intermediary.” (Emphasis added, Col. 2, lines 51- 53). Then after the trusted intermediary receives this personal information, “The trusted intermediary then arranges payment and shipping on behalf of the parties.” (Emphasis added, col. 2, lines 53-54).

The Hurwitz et al. reference explains that “the buyer may provide information such as his or her name, billing address, shipping address, credit card information, bank account information, and delivery parameters to the trusted intermediary.” (Emphasis added, Col. 3, lines 39-43). Only after receiving the credit card information from the user, “The trusted intermediary then arranges for shipping of the goods by the seller, and payment, either directly or indirectly by the buyer to the seller.” (Emphasis added, Col. 3, lines 47 - 49).

Additionally, the Hurwitz et al. reference does not mention anything at all about encrypting the credit card information. Rather, the Hurwitz et al. reference only discloses freely disclosing the credit card information with the trusted intermediary.

Further, the system that is disclosed by the Hurwitz et al. reference is not concerned with addressing the problems that are solved by the present invention. Rather, the Hurwitz et al.

reference is only concerned with protecting the anonymity of the parties to the transaction.

The Hurwitz et al. reference clearly explains that “Protecting the anonymity of individuals on-line in this way reduces a significant barrier to doing business with each other.” (Col. 2, lines 36-40). “In this way, neither the buyer nor seller need to know anything about the other in order to fulfill the transaction.” (Col. 2, lines 54-56).

This is a completely different problem than what is solved by the present invention.

Indeed, since the Hurwitz et al. reference does not disclose obtaining a credit card number by deciphering a packet cipher with a secret decryption key, the Hurwitz et al. reference suffers from the same problems that are solved by the present invention.

The system disclosed by the Hurwitz et al. reference requires that the user establish a trust with the intermediary before providing a credit card number. Thus, the term trusted intermediary.

In stark contrast, the present invention does not require that the intermediary be a trusted intermediary. Rather, the user is protect from unauthorized use of the credit card number by requiring the use of a secret decryption key in order for the intermediary to obtain the credit card number. In this manner, the user may inspect and accept delivery of the ordered commodities before providing access by the intermediary to the user’s credit card number. Rather, the user may wait to provide access to the user’s credit card number by only providing the secret decryption key after inspecting and accepting delivery of the ordered item/service.

Therefore, the Hurwitz et al. reference does not teach or suggest each and every element of the claimed invention and the Examiner is respectfully requested to withdraw this rejection of

claims 1-20.

### III. FORMAL MATTERS AND CONCLUSION

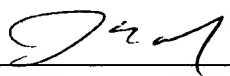
In view of the foregoing amendments and remarks, Applicant respectfully submits that claims 1-29, all the claims presently pending in the Application, are patentably distinct over the prior art of record and are in condition for allowance. The Examiner is respectfully requested to pass the above application to issue at the earliest possible time.

Should the Examiner find the Application to be other than in condition for allowance, the Examiner is requested to contact the undersigned at the local telephone number listed below to discuss any other changes deemed necessary in a telephonic or personal interview.

The Commissioner is hereby authorized to charge any deficiency in fees or to credit any overpayment in fees to Attorney's Deposit Account No. 50-0481.

Respectfully Submitted,

Date: 11/30/04

  
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